

FREEHOLD RETAIL AND OFFICE INVESTMENT
FOR SALE

THE ARGYLE CENTRE
YORK STREET
RAMSGATE
KENT
CT11 9DS



CONTINENTAL
PATISSERIE

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Advertisement pillar featuring a large image of a person's legs and a smaller image of a product.

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Advertisement pillar featuring a large image of a person's legs and a smaller image of a product.



Wilkinson's

Wilkinson's

POU

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INVESTMENT SUMMARY

SITUATION: The property occupies a strategic island site in the heart of Ramsgate bounded by Leopold Street, York Street and Queen Street immediately opposite the town's main multi-storey car park.

DESCRIPTION: The property comprises two adjoining blocks. A former supermarket arranged on ground and first floors and a parade of 7 retail units with four floors of offices over.

ACCOMMODATION: The property has a total floor area of 65,088 sq ft on a site of 0.95 acres as follows:-

Former Supermarket	32,026 sq ft
Unit Shops	8,708 sq ft
Offices	<u>24,354 sq ft</u>
Total	65,088 sq ft

There are 17 marked car parking spaces to the rear of the property.

TENURE: Freehold.

TENANCY: The property is multi-let with 45% of the income secured on the excellent covenant of **Wilkinson Hardware Stores Ltd** for a further 10.25 years. The total current net rent receivable is £420,085 pa.

INVESTMENT SUMMARY

RENTAL VALUE: The property has an estimated net rental value of £533,300 pa.

PLANNING: The Wilkinson store has the benefit of an outline planning consent (now expired) for the demolition of the first floor and the erection of a three storey extension to provide 81 additional rooms for the adjoining Ramada Jarvis Hotel.

ASSET MANAGEMENT

OPPORTUNITIES: The offices may have scope for conversion to residential whilst the proposed extension for the adjoining hotel might also be suitable for a residential scheme subject to the usual consents. There is also potential to derive additional income from roof aerials.

PROPOSAL: Offers invited in excess of **£6,620,000 (Six Million, Six Hundred and Twenty Thousand Pounds)** subject to contract and exclusive of VAT to show a **net initial yield of 6.06%** a **net reversionary yield of 7.6%** and a **true equivalent yield of 7.7%** taking purchase costs at 5.75%.



THE ARGYLE CENTRE

Wilkinson



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RAMSGATE

Ramsgate is a busy Thanet port town and a popular holiday destination. The town forms part of a large conurbation on the East Kent coast and supports a resident population in excess of 38,000 persons, a weighted catchment population of some 52,500 persons (CACI Ltd) and a district population of 123,000 persons. The population is enhanced further during the summer months due to the large influx of tourists.

Ramsgate is located 18 miles east of Canterbury, 20 miles north of Dover, 4 miles south east of Margate and is the principal retailing centre within the Thanet region. Ramsgate is linked to the M2 motorway by the A253 and A299 trunk roads. There is a regular rail service to London Victoria with an average journey time of 1 hour and 50 minutes.

SITUATION

The property occupies a strategic island site bounded by York Street, Leopold Street, Queen Street and Royal Parade within the core of Ramsgate Town Centre. The pedestrianised pitches of High Street and Kings Street are a short walk away as is the Royal Harbour which provides berthing for 700 vessels and associated tourist facilities.

Immediately south west of the property on Leopold Street is the Towns main multi-storey car park which has been the subject of a recent refurbish programme and now provides 425 spaces. Vehicular access to the car park is off Queen Street and there is a pedestrian link directly to the property.

RAMSGATE REGENERATION

Under the Ramsgate Renaissance Project the Thanet Regeneration Board which was established in 1996 has been responsible for upwards of £30m of regeneration initiatives including the redevelopment of 8/28 York Street which entailed the restoration of 6 historic properties directly opposite the Argyle Centre, construction of 5 new buildings along York Street, provision of a new public space adjacent to Charlotte Square with a new pedestrian thoroughfare from Harbour Street. The development included 20 new residential units and in excess of 7,000 sq ft of retailing accommodation.

DESCRIPTION

The property comprises two adjoining buildings a large retail store and a separate office building with ground floor retail units.

The retail store which is arranged over ground and first floor levels was originally constructed as a supermarket having an extensive return frontage to York Street and a pedestrian link underneath Leopold Street providing access to the Towns principal multi-storey car park.

The accommodation comprises a retail store on ground floor together with further retailing at first floor level, accessed via a stairs and escalator. Ancillary offices are provided at both ground and first floor levels and the first floor provides further staff facilities and store.

Loading access is via a service yard to the rear of the building with direct access from Leopold Street. There are two goods lifts within the loading area providing access to the first floor store.

The retail and office building comprises 7 ground floor retail units and 4 floors of offices over of frame construction with single glazed windows, gas fired central heating and a flat roof. The main entrance into the offices is via York Street to a large reception area whilst two 8 person passenger lifts serve all floors.

To the rear of the building is a self contained car parking area providing 17 spaces accessed directly off Leopold Street.

ACCOMMODATION

The property provides the following summary floor areas:-

	Sq Ft	Sq M
Retail Store	32,026	2,975
Retail Units	8,708	809
Offices	24,354	2,263
Total	65,088	6,047

The property has a site area of 0.95 acres (0.432 hectares).

TENURE

Freehold.

TENANCY

The property is multi-let in accordance with the attached accommodation and tenancy schedule to tenants which include Wilkinson Hardware Stores Ltd, E Coomes (Old Kent Road) Ltd, The Church of England Children Society, Interoute Telecom Services Ltd and Provident Financial Plc.

45% of the income is secured on the excellent covenant of Wilkinson Hardware Stores Ltd for a further 10.25 years. The total current net rent receivable is £420,089 per annum (allowing for landlords irrecoverable costs) which it is anticipated will rise to £438,039 per annum on settlement of outstanding rent reviews and lease renewals and a final reversionary net income of £533,300 pa.

TENANTS COVENANT INFORMATION

Tenant	Year End	Turnover £000	Pre-Tax Profit £000	Net Worth £000
Wilkinson Hardware Stores Ltd	28/01/05	1,116,285	50,721	148,214
E Coomes (Old Kent Road) Ltd	31/03/04	-	-	(741)
Personnel Resource Management Ltd	31/07/04	-	-	478
Provident Financial Plc	31/12/05	1,365,200	40,400	276,400
The Church of England Childrens Society	31/03/05	39,247	3,165	34,260

VAT

The property is not elected for VAT and therefore VAT will not be payable on the purchase price.

PROPOSAL

We are instructed to seek offers in excess of **£6,620,000 (Six Million, Six Hundred and Twenty Thousand Pound)** subject to contract and exclusive of VAT for our client's freehold interest. An acquisition at this level would reflect a **net initial yield of 6.06% rising to 6.26%** on settlement of the various outstanding reviews and lease renewals, a **net reversionary yield of 7.6%** and a **true equivalent yield of 7.7% (7.36% nominal)** allowing for purchasers costs of 5.75%.

FURTHER INFORMATION

For further information or to make arrangements to inspect please contact:-

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THE ARGYLE CENTRE, YORK STREET, RAMSGATE

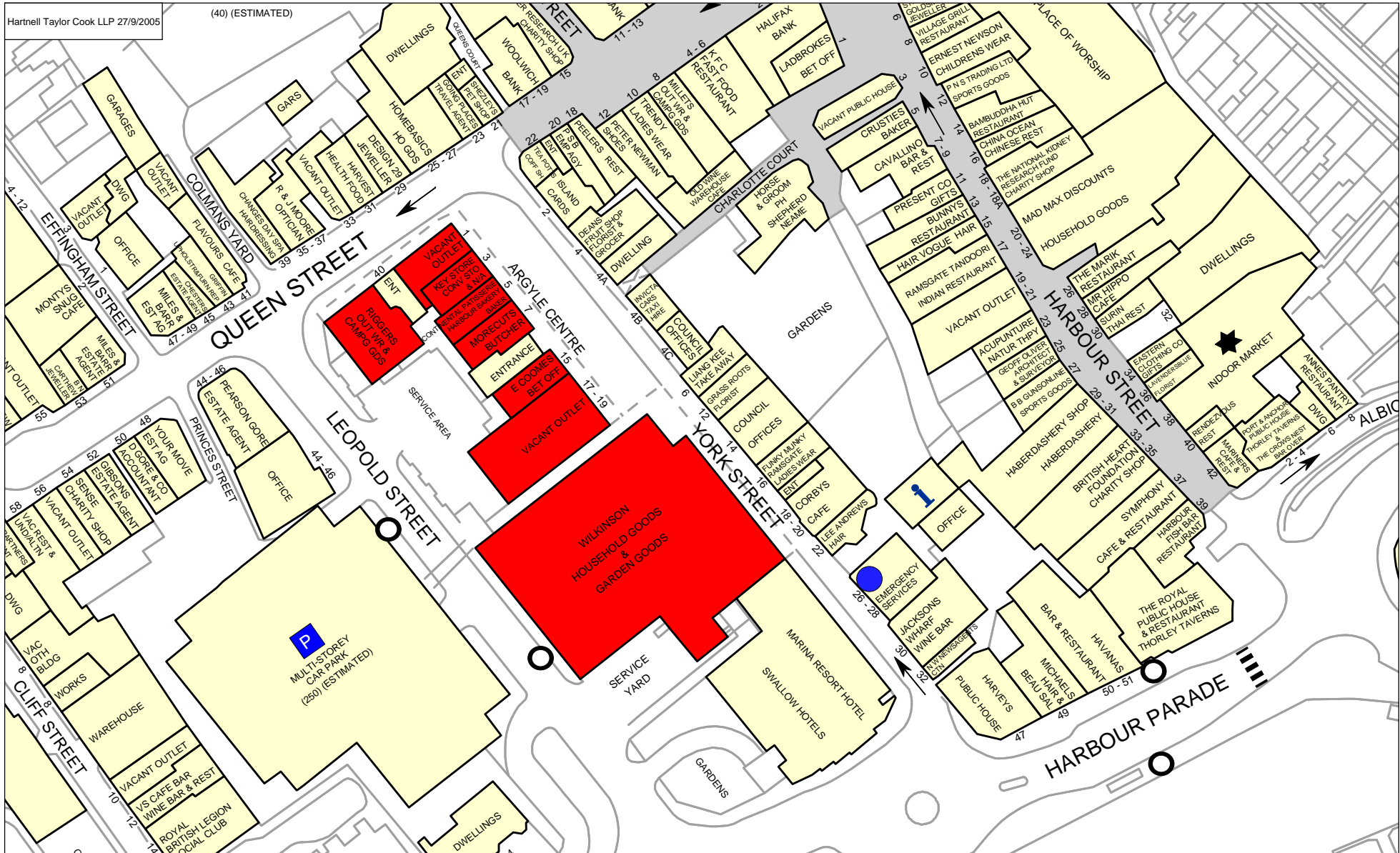
Unit	Tenant	Area (Sq Ft)	Area ITZA (Sq Ft)	Lease Term	Lease Start	Lease Expiry	Next Rent Review (Frequency)	Rent EPA	Rate PSF £	ERV EPA	Rate PSF £	Comments
Retail Store	Wilkinsons Hardware Stores Ltd	32,026	-	35 yrs	29/9/1981	29/9/2016	29/9/2002 (7 yrly)	190,000	5.93	240,200	7.50	On assignment from Tesco Holdings Ltd. Rent review notice served @ £280,000 pa.
Unit 1	Ms A M Baranowski & Mr P W Neale	826	586.6	5 yrs	02/03/2006	01/03/2011	-	12,000	23.86 ZA	15,500	26.50 ZA	Rent rises to £14,000 pa in years 2 & 3 and to £15,000 pa in years 4 & 5.
Unit 2	M P Patel t/a Collville Newsagents	709	544.6	25 yrs	31/3/1976	31/3/2001	-	14,000	25.70 ZA	14,400	26.50 ZA	Holding over.
Unit 3	Arno Berno Claus Ebeck t/a Continental Patisserie	826	586.6	15 yrs	29/9/1999	29/9/2014	29/9/2004 (5 yrly)	14,000	23.86 ZA	15,500	26.50 ZA	Outstanding rent review 29/09/04.
Unit 4	L More and LB Baker t/a Morecuts Butchers	903	658.2	10 yrs	9/6/2000	9/6/2010	5/6/2005 (5 yrly)	15,000	22.79 ZA	17,400	26.50 ZA	
Unit 5	E Coomes (Old Kent Rd) Ltd	797	565.9	25 yrs	31/3/1976	31/3/2001	-	12,000	21.20 ZA	15,000	26.50 ZA	Holding over.
Unit 6	Mr O Reilly	2,951	1,413.9	1 yr	-	-	-	22,500	15.91 ZA	37,500	26.50 ZA	Lease due to be completed shortly.
Grnd Floor Queen Street	Riggers	1,695	1,176.9	10 yrs	1/2/2004	1/2/2014	1/2/2009 (5 yrly)	26,000	22.09 ZA	31,200	26.50 ZA	
1 st Flr Queen Street	The Church of England Children's Society	1,900	-	2 yrs	31/3/2003	31/3/2005		10,200	5.37	12,350	6.50	Holding over.
1 st Flr Offices	Interoute Telecom Services Ltd	6,160	-	10yrs 8 months	16/10/2000	30/6/2011	16/10/2005 (5 yrly)	27,720	4.50	32,000	6.00	Mutual break 30/6/2008 on 6 months notice.
2 nd Flr Offices	Instant Muscle	6,160	-	5 yrs	16/10/2003	16/10/2008		28,000	4.55	32,000	6.00	Service charge cap.
3 rd Flr Offices	Interoute Telecom Services Ltd	6,160	-	10 yrs	12/4/1999	12/4/2009	12/4/2004 (5 yrly)	27,720	4.50	37,000	6.00	

THE ARGYLE CENTRE, YORK STREET, RAMSGATE

Unit	Tenant	Area (Sq Ft)	Area ITZA (Sq Ft)	Lease Term	Lease Start	Lease Expiry	Next Rent Review (Frequency)	Rent £PA	Rate PSF £	ERV £PA	Rate PSF £	Comments
L/H 4th Flr Offices	Personnel Resource Management Ltd	2,500	-	6 yrs 2 months	1/8/2003	30/9/2009	31/7/2006 (3 yrly)	12,800	5.12	15,000	6.00	Mutual breaks on 30/09/2006 and 30/09/2008 on 6 months notice.
R/H 4 th Flr Offices	Brookes Freer Wright & Suckley	750	-	10 yrs	17/12/1998	16/12/2008	(5 yrly)	13,453	17.94	13,453	6.50	Rent inclusive of insurance, gas, water rates and electricity.
R/H 4 th Flr Offices	Provident Financial Plc	724	-	3 yrs	4/7/2000	4/7/2003	-	9,412	13.00	9,412	6.50	Rent inclusive of insurance, gas, water rates and electricity.
Total		65,088						434,805		547,915		

NB: The above floor areas have been provided by our clients.

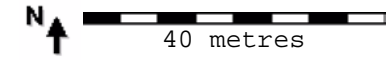
There is a service charge shortfall of £14,720 pa due to the service charge cap in respect of the 2nd floor offices and the two inclusive leases on the 4th floor.



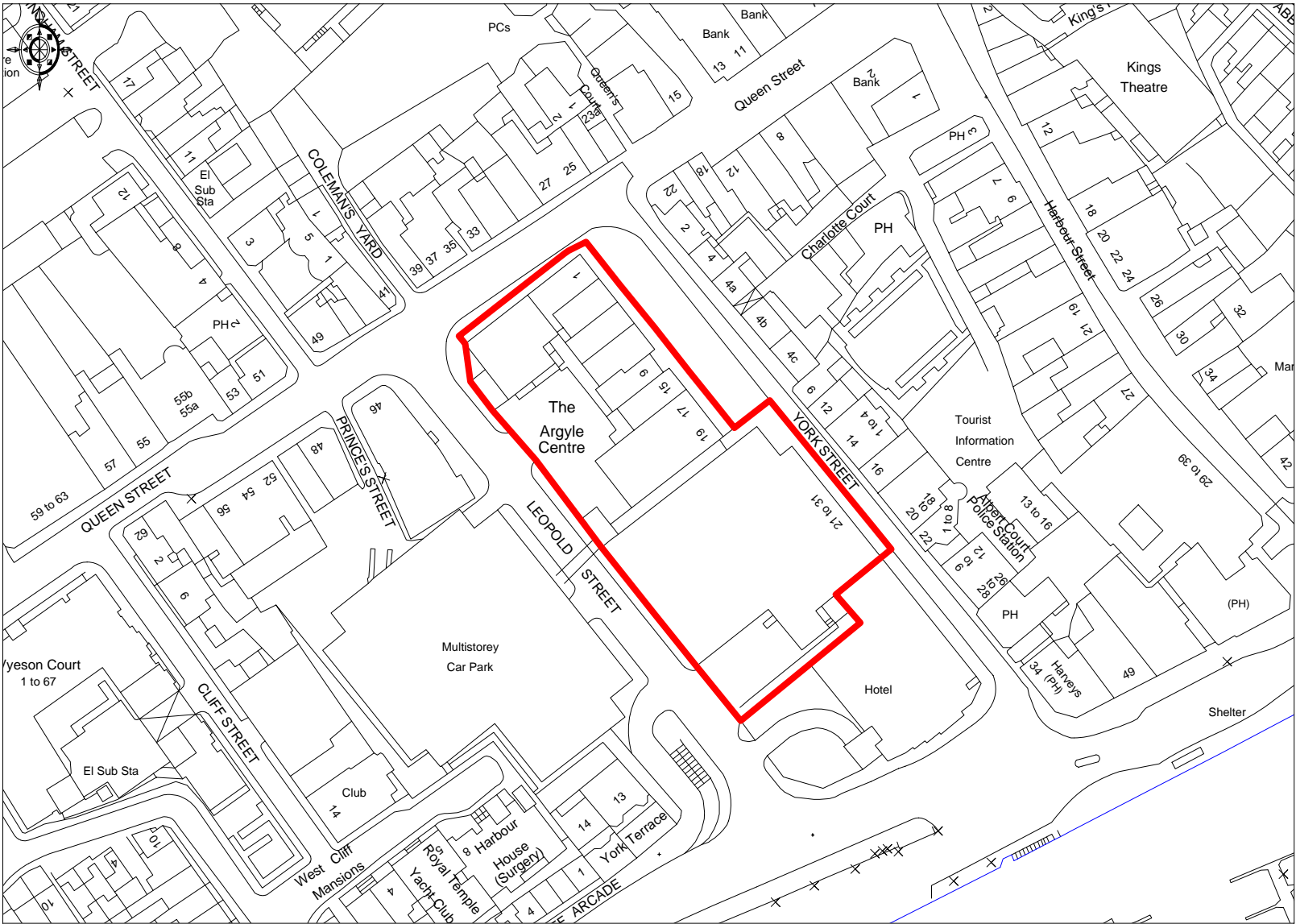
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